Volunteer Income Tax Assistance Grant Program
Frequently Asked Questions

Category: General

1. ***Are copies of the prior award recipient applications available for review?***

   Not generally; however, you may wish to submit a Freedom of Information Act (FOIA) request to obtain a copy. For more information please refer to www.irs.gov/foia/. All requests should be mailed to:

   > IRS FOIA Request
   > HQ FOIA Stop 93
   > 2385 Chamblee Tucker Road
   > Chamblee, GA 30341

2. ***How many awards do you anticipate granting? Is there an average award amount already determined?***

   There is no average award amount determined nor number of awards. We awarded 111 in the first year and 147 in the second year.

3. ***My organization has some sites that serve elderly and other sites that serve all low income. Could I file an application for a TCE grant for the sites that serve elderly and an application for a VITA grant for the sites that serve low income?***

   Yes. Organizations may file an application for both grants; however, the services provided must be separate. In the event you are awarded both grants, you must ensure funds are not commingled and administrative recordkeeping must be separate.

4. ***At what level (program, department, or other) should the Civil Rights Narrative requirements be reported?***

   The Civil Rights Narrative is prepared based on the lowest level in your organization, specifically the office with responsibility for the delivery of VITA services.

5. ***Can we continue our current focus population or do we need to change it?***

   If you believe there is still a need for focusing on the population chosen, you can continue to make this your primary focus.

6. ***Indirect cost rate – Can we ask for funds for people that do accounting?***

   If you can readily identify the expense amount related to VITA activities, costs associated with accounting procedures can be allowed as expenditures against the awarded grant funds.

7. ***Are we a new applicant if we operated a VITA site for the last two years and never received any funding?***

Yes. For purposes of completing block 2 on the Standard Form 424, Application of Assistance, all applications are considered "new".

8. *Is training just available online or is there other training available to use?*

IRS does offer on line training for volunteers, *Link and Learn Taxes.* Information can be found in the Publications 4671 on pages 2 and 3. If you do not have internet access, a CD-ROM version is available. In addition, IRS provides paper-based training when e-learning is not a viable option for your organization.

9. *Is the site coordinator responsible for training?*

It depends on how your organization plans to deliver training. For applicants that have worked with IRS in the past, the local territory office generally assists in helping in the development of a training plan. For new organizations interested in delivering VITA services, the local territory office will work with your organization as well.

10. *Has IRS published an average cost of serving each taxpayer?*

No. IRS has not computed an average cost per taxpayer. Budget information provided by grant recipients does not always reflect the full cost of operating the program.

11. *Is there a cap on the amount of funds for a first-time grant applicant?*

There is no maximum amount that can be requested; however, remember that for the VITA grant, the organization must have an equal amount of matching funds.

12. *We are a not-for-profit college. We have been a site for two years. Would we have to be a VITA site for three years consecutively to get a multi-year grant?*

No. The multi-year grant is not linked to how long you have operated a VITA site. You must be a **prior year grant recipient** to be considered for the multi-year opportunity. See Publication 4671, *VITA 2011 Program Overview and Application Package*, Multi-Year Grant section for a list of all requirements for a multi-year grant.

13. *I received the VITA grant for the 2010 filing season. To the extent the 2011 application requests the same information, will repeating the information from my 2010 application be looked upon negatively?*

No. During the technical ranking, the prior year application is not used. The technical ranking uses only the information you present in your current year application. However, the GPO office will review the prior year file to determine if the organization demonstrates growth.

14. *What is the taxable impact on financial incentives – i.e., stipend or gas vouchers – for VITA volunteers? For example, are stipends taxable income to the VITA volunteers and do they need to claim as income the value of gas vouchers?*

Stipends and certain non-cash allowances that are paid to volunteers are considered to be taxable income. However, volunteers may be able to deduct certain out-of

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pocket expenses that have not been reimbursed, such as mileage on the Schedule A under contributions. Out-of-pocket expenses are a deductible Schedule A expense when you serve a qualified organization as a volunteer. Information concerning this topic can be found in Publication 17, *Your Federal Income Tax For Individuals.*

15. **If the site does not have an ASL (American Sign Language) interpreter, can the client be referred to the IRS walk-in office for service if they do not wish to conduct business in writing?**

   Yes. A complete list of services provided by the local walk-in office can be found at this link: http://www.irs.gov/localcontacts/

16. **Can an organization scan signed disclosures and store them on hard drive to meet the three-year requirement?**

   Yes. Publication 1345 allows a practitioner to maintain electronic copies of taxpayer records.

17. **Can organizations that were awarded last year receive their scores?**

   Yes. The Grant Program Office will provide last year's applicants with their overall ranking score and strengths and weaknesses from their application. The Grant Program Office is scheduled to provide feedback on the technical evaluation of your application on or before February 27, 2011.

18. **Will funding go to major metro areas only? It appears that the 2009 VITA Grant funding was to major metro areas only.**

   Funding went to a variety of programs, some of which served rural locations. The location of the applicant should not be assumed to represent the geographic area of service. As part of the Grant Program Office evaluation, geographic diversity is considered.

19. **Will it be a negative to request funding to sustain a high-level existing program? Resources are less due to the economic climate.**

   No. The program plan should identify the need to sustain the high-level existing program. Include the challenges and difficulties in obtaining resources to increase the program and include any potential increases in production or leveraging.

20. **Will the 2010 Grant award recipients be treated on the same level as the new applicants?**

   Yes. This is a competitive grant. Each application stands on its own merit. However, prior award recipients will also be reviewed for a timely reporting requirement.

21. **What happens if a coalition and an individual program from the coalition both apply? How would you know if both applied?**

   A coalition and a coalition member cannot both apply and propose to count the same service. The coalition members should discuss and agree on how to apply. We review the site identification numbers (SIDN) and electronic filing identification

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numbers (EFIN) of each applicant. If SIDNs or EFINs are duplicated, the applicants will be contacted.

22. How do you locate the SPEC territory contact person?

Contact the Grant Program Office for the SPEC territory contact in your area. The Grant Program office contact information is located in the front cover of the Publication 4671.

23. How is VITA training accomplished?

The SPEC territory relationship manager will assist with volunteer training, train-the-trainer training and automated Link and Learn training. Contact your local SPEC office for additional information.

24. How should applicants develop and prepare a ramped-up application without a paid grant writer?

Thoroughly read the Publication 4671 and follow all required guidelines as indicated in the application package.

25. What is the reasonable increase in return production?

There is no set standard increase for return production. The amount of increase will be different for each program.

26. Will there be a penalty for limited progress in rural areas?

No. There is no penalty for limited growth in rural areas, however, the program plan narrative should explain and describe the reason for the limited growth.

27. What is the calculation for rental space?

The value of donated rental space is based on the fair market rental value at the time of donation.

28. Is it possible to receive more funding after the awards are given?

Not under normal circumstances. If funds were returned from another program, these funds would be re-granted to another award recipient.

29. Can the indirect cost rate be used for salaries?

Yes. The indirect cost rate can be used for salaries. The indirect cost agreement must be included with the application.

30. Can a small site have a salaried site coordinator who also does tax preparation?

Yes, but the site coordinator should only be paid with federal funds for the time spent as a coordinator. The time spent preparing tax returns is not an allowable paid

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position with federal funds. Time spent on each position should be adequately documented.

31. What is the most common reason an applicant would be considered ineligible?

The most common reasons for being ineligible are: not tax compliant; the 70% minimum score not met; and incomplete or inadequate information.

32. Where can I get information about the VITA grant?

The Publication 4671, *VITA Grant Program 2011 Program Overview and Application Package*, is available on IRS.gov. Using the keyword search option available on the site, type in "VITA Grant" for the most current information about the VITA Grant including frequently asked questions, forms, and templates that can be used to complete parts of the VITA Grant application.

33. What is the VITA Grant Program?

In December 2007, Congress appropriated funds to the IRS to establish and administer a one-year matching grant program in consultation with the Taxpayer Advocate Service, for Community Volunteer Income Tax Assistance. The program shall provide direct funds to:

- Enable VITA programs to extend services to underserved populations and hardest-to-reach areas, both urban and non-urban
- Increase the capacity to file returns electronically
- Heighten quality control
- Enhance training of volunteers, and
- Significantly improve the accuracy rate of returns prepared by VITA sites

34. Is there a minimum or maximum award amount?

No. There are no minimum or maximum award amounts; however, there is a matching requirement on a dollar-for-dollar basis for any funds requested.

35. Could a non-profit receive both a TCE grant and a VITA grant?

Yes, but not for the same service. They cannot co-mingle the funds, and the services must be tracked separately.

36. Are there any so-called re-granting requirements?

Funds cannot be *re-granted.* That is to say, you cannot obtain funds and then issue a call for grant applications to disburse the funds. However, as a lead organization over a coalition or coalitions, you can disburse the funds to your members. These members and the amount to be disbursed are required to be detailed in the program plan narrative.

Note: Monies can only be spent on those items deemed allowable, necessary and reasonable.

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37. If I have additional questions, who do I contact?

You may send an email to the grant.program.office@irs.gov or call 404-338-7894.

38. Should a small local partner seek assistance in writing their application? Larger partners have a greater capacity and more experience in grant writing.

Partners should decide whether assistance is needed in writing a grant proposal. All partners will be given the same consideration as long as the package is complete. The partner should submit a package that follows the guidelines.

Note: *Costs associated with writing and submission of the application are not allowable.*

39. Is there an appeal process if a grant is not awarded?

No.

40. Can you tell me what the Catalog of Federal Domestic Assistance Number (used in conjunction with Standard Form 424) is for the VITA Grant Program?

The Catalog of Federal Domestic Assistance Number (CFDA) for the VITA Grant is 21.009. You may also use the acronym "VITA" in the Grants.gov search.

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